433, 162, 464, 439

Egypt	MR1
Turkey	MB1
Iraq	MH1
● Syria	MD1
Lebanon	ME1
Historical Palestine	MF2
Israel	MF1

/For an account of the economic effects of industrialization after World War II and information on industrial output in countries of the Middle East, see 66: Bonne, M1 Middle East, category 116 as follows: Egypt - pp. 293-298, p. 309, Turkey - pp. 298-300, 307-308, Syria and Lebanon - pp. 300-302, 309-310, Palestine - pp. 302-304, Israel - pp. 310-311./

7:Lewis S-5 (ca. 1940-45) 1948 MDl Syria MDl

175 Tamerlane's invasion and were dispersed in other parts of Syria. Of 3200 villages once on the tax rolls of the pashalik of Aleppo, only 400 were said to be inhabited when Volney visited the country in the 1780's.[10] Such peasants as remained in the west of our region suffered from misgovernment, extortion, and raiding by Arab tribes.

166 In the second half of the past century a movement of recolonization [231] started that is still in progress. Sheep-raising Arab tribes began to settle in 361 villages; peasants came from the districts of Hama and Homs; immigrant 795 Circassians established four villages north of the town of Selemiya. The 312 frontier began to move outward once more, and old foggaras were cleaned 241 and repaired to give irrigation water once again. The strongest and most energetic immigrant group, the pioneers, were Ismaili, led back to their land of a thousand years ago by a group of powerful leaders. They settled first on the site of Selemiya itself about 1870. Today they number 14,000 or more, the majority living in the town and in villages to the east. They chose village sites where old foggaras could be brought into use, and for 75 years they have been extending the area of irrigated land by the restoration of old canals and the digging of new ones. In the last 20 years subsistence agriculture, depending largely on unirrigated grain farming, has given way before a more intensive commercial system, typified by the growing of irrigated cash crops such as seed onions and cotton on individualized holdings. [657] The government has granted money for canal cleaning and swamp drainage. All these factors have contributed to extension of irrigation.

312 Some old canals, however, are still derelict. Some are so ruined that the [464] cost of repair would be prohibitive. Others may yet be brought back into use, but the will to work is weaker than in the early days of colonization, and now laborers' wages and other expenses have increased. Elsewhere village boundaries cut across old canals. Landowners of the village where a canal rises are loath to let the water flow away to the lands of another village, and thus ancient foggara systems which were perfectly related to the physical environment have been partly replaced by more local schemes of surface canal and ditch irrigation. For example, the canals that rise in Moufaqqar (Fig. 3) could irrigate land and drive mills in Moufaqqar, Tell et Tout, and Selemiya, but they have been so modified that the water is used only in Moufaqqar, and some of it runs to waste. A canal which rises in Tell et Tout but which formerly flowed on to Selemiya land has been blocked, so that its water irrigates Tell et Tout land only.

113 [10] C.-F. Volney: Travels through Egypt and Syria, in the Years 1783, 1784 & 1785, translated from the French, 2 vols., New York, 1796; reference in Vol. 2, pp. 90-91.

14:International Bank S-5 (1954) 1955 MD1 Syria MD1

241 433 trated in the fall and winter seasons. Thus around 70% of the area in crops is usually planted to wheat and barley, and these two cereals contributed £S 59.2 million and £S 70.8 million or approximately 19% of the total value of Syria's exports in 1952 and 1953. Although a considerable number of summer crops are grown, including sorghum, maize, rice, pulses and vegetables, by far the most important of these is cotton. The latter now rivals wheat as the most valuable crop of the country even though the 1953 acreage planted to cotton was only 10% of that sown to [439] wheat. Exports of cotton and cotton seed amounted in 1952 and 1953 to £S 131.2 million and £S 140.2 million, or 38% and 40% of the value of all exports. Orchard crops such as olives, nuts, apricots and other fruits also assume some importance in agricultural production, although they 233 take up less than 10% of the planted area. Animal husbandry, based prin- 439 cipally on sheep and goats, is primarily a pastoral industry without a close link with settled agriculture. Exports of livestock and livestock products including hides and skins, samneh (clarified butter), cheese and eggs, amounted in 1953 to almost £S 48 million or around 13% of the total value of exports. Live animals alone contributed £S 23 million, although such exports were offset by imports, primarily from Iraq, to a value of £S 7.1 million.

241 433 Much of Syria's agricultural output is consumed on the farm and therefore does not enter the market economy. From the returns of the agricultural production tax, which is levied only on produce brought to market, it may be estimated that only around 40% of the production of wheat, maize and sorghum and less than 30% of the output of lentils is sold.

Industry

438 464 During the postwar period industry has steadily forged ahead, although its contribution to national income is probably still only between one-fifth and one-fourth that of agriculture and animal husbandry. The number employed in manufacturing is difficult to estimate, since the 1947 census provided no occupational breakdown, and industrial enterprises required to register with the government generally understate the number of workers employed. Fragmentary data collected by the mission indicate that employment in more or less mechanized manufacturing establishments, many of which are very small, may be between 35,000 and 40,000. If

14:International Bank S-5 (1954)1955 MD1 Syria MD1

handicraft workers and artisans are included, the number engaged in some form of manufacturing may approach or perhaps even exceed 100,000.

The textile industry, including spinning, weaving, knitting, dyeing and finishing, and the manufacture of garments, is the most developed. It probably employs close to 20,000 people in more or less mechanical establishments and it was able, in 1953, to export goods to a value of about £S 25 million. Among other important industries are flour milling, the extraction of vegetable oils and making of soap, tanning, sugar refining, canning and preserving, and the manufacture of cement, glass, tobacco and matches. The production of utensils, implements, furniture and shoes, although on a considerable scale, is almost completely in the handicraft stage.

Commerce

Commerce has always been one of the most profitable occupations in Syria. It has furnished much of the capital for the development of industry and even of agriculture. Aleppo and Damascus are the principal commercial centers of the country, the former being the more important. It handles most of Syria's exports, which emanate largely from the northern part of the country, and with the development of the port of Latakia it is also increasing its share of the import trade.

Foreign commerce is quite important in total trade. Over the three-year period 1951-53 the value of imports has averaged close to 30% of probable national income and exports about 22%. Exports have risen rather steadily in total value, and imports somewhat more slowly. Separate foreign trade figures for Syria have been available only since March 1950, when the economic union with Lebanon was terminated in order to give Syria more freedom in protecting its domestic manufacturing industry. Foreign trade has developed as follows (in millions of Syrian pounds):

Year	Customs figures			Adjusted figures		
	Exports	Imports	Balance	Exports	Imports	Balance
1951	277	304	−27	292	418	−126
1952	320	313	+7	337	444	−117
1953	376	307	+69	408	484	−76

14:International Bank S-5 (1954) 1955 MD1 Syria MD1

corporation on a basis similar to the one we recommend, and Pakistan is contemplating the establishment of such an institution.

We have little doubt that the suggested bank would find ample opportunities for investment. While there is no absolute assurance that private capital can be found for the bank, our preliminary exploration in Syria warrants some optimism on this score. Commercial banks might well subscribe a substantial part of this capital, and the balance could probably be obtained from private individuals and business concerns.

While the bank would not make loans for working capital, it might indirectly make it easier for companies to obtain working capital from the regular commercial banks. The mission found that a number of industrial enterprises do have difficulty in obtaining sufficient working capital, particularly to finance heavy seasonal purchases of such agricultural raw materials as cotton, oilseeds, and fruits and vegetables for canning. The proposed bank might explore the possibility of financing the construction of bonded warehouses in Damascus and Aleppo where industrial enterprises could store raw materials and even finished goods in such a way as to furnish ample security for additional commercial bank credit.

Vocational Education

While appropriate technical and financial assistance can do much to raise industrial efficiency, the better training of labor is also important. At present vocational education is seriously inadequate. There is an urgent need to expand and improve vocational schooling so that it will effectively serve the requirements of industry and business and will be properly related to in-plant training. Specific recommendations on this subject are made in a subsequent chapter on education.

Projected Oil Refinery

With the exception of one ill-starred venture in which it went into partnership with private capital, the government has wisely left the ownership and management of manufacturing enterprises to private initiative. We are strongly convinced that this policy should continue to be followed. During the last few years it has been proposed from time to time that the government depart from this rule by establishing and operating a petro-

14:International Bank S-5 (1954) 1955 MD1 Syria MD1

tions; these, however, often represent contributions to working capital by members of the owner-family or an inner circle of controlling shareholders who for various reasons prefer this technique to accepting additional stock. This may be an unfortunate situation from the legal point of view, although in practice it does not seem substantially to weaken the continuity of the capitalization. The government-guaranteed loans may be subject to criticism, particularly with regard to the applicable interest rate, which is much below that reasonably to be expected in a country where capital is relatively scarce. However, thanks to the provision that in each case these loans may not exceed half the paid-up capital of the borrower, they have not dangerously affected the financial structure of the companies concerned. Yet the mission feels that the entire system of government-guaranteed industrial loans financed by the BSL does not at this stage provide an appropriate and adequate solution to the problem of supplementing the traditional means of financing industrial development.

Although the larger gaps in the main fields in which conditions for modern industrial production are reasonably favorable have either been filled or are rapidly being filled, the industrialization movement is far from being exhausted. All the evidence indicates that it will continue to spread, though probably at a slower rate than in the years immediately preceding 1952 and along more selective lines. With the limits of the home market within reach or already reached, further development of existing industries will depend largely on their success in attaining a higher degree of efficiency and reducing production costs. In view of these trends and requirements the mission is of the opinion that a specialized credit institution is needed to furnish both technical assistance and industrial banking facilities, to the extent that these are presently lacking, and to provide a firmer basis for further investment financing. A more detailed proposal for such an investment bank will be found in the Main Report.

Labor

According to an official estimate, the number of workers employed in Syrian industry (excluding electrical productions, commerce, etc. and enterprises employing only family members) is approximately 70,000. In some industries, particularly in the textile sector, the supply of skilled labor is barely sufficient for present needs, but unskilled labor is generally

14:International Bank S-5 (1954)1955 MD1 Syria MD1

available as required. More women are to be found in modern industry than formerly, especially in the hosiery and other textile factories.

The Syrian workman is on the whole better educated and more adaptable than his counterpart in most of the Middle Eastern countries. The availability of a large force of handicraft workers skilled in the fashioning of metals, wood, stone, textiles and other materials was of great value when the rapid expansion of industry began. As it proceeded, the government and the industrial leaders became increasingly conscious of the need for systematic vocational education and training in schools and factories; this has made considerable progress in recent years.

In Annex I an appraisal is made of the existing vocational (other than agricultural) schools in Syria; our recommendations regarding their extension and improvement are designed better to fit them to the requirements of industry as well as those of commerce and banking.

The private business world, as well as the government, has made its contribution. Most Syrian employers now recognize that successful plant operation demands an adequate supply and a small turnover of skilled labor. Some of the larger factories have instituted training schemes, some providing up to three months specialized training during which the apprentice is paid the full minimum wage. Most of the other factories and workshops have systems under which learners are gradually promoted from the simple to the more skilled operations.

There are nearly 200 industrial unions combined in federations in Syria, with a total of about 25,000 members. The federations and also a large proportion of the trade unions have mutual funds, derived in part from normal subscriptions of members, and partly from government subsidies. They are used for grants to members for medical expenses, hospitalization, extension of the legal periods of sick pay, grants to aged workers, unemployment pay and the like.

The Directorate of Labor and Social Services in the Ministry of National Economy is responsible for ensuring enforcement of the provisions of Syria's rather liberal Labor Code, supervising the trade unions, establishing and operating public employment offices and encouraging the foundation of private ones.

Wages are comparatively low. Minimum wages are fixed by local Minimum Wage Boards. A fairly representative sample of daily wages seems to be: boys and women, £S 1; unskilled men, £S 2-5; skilled men,

14:International Bank S-5 (1954) 1955 MD1 Syria MD1

£S 5-7. For exceptionally heavy work daily wages up to £S 9 are paid. Foremen and managers receive from £S 10 upwards. It is far from certain whether the smallness of the wage offsets the low labor productivity. Employer-employee relations appear to be fair and on a democratic basis.

Management

Industrial management presents some striking contrasts, as pointed out in the Main Report. It is commendable that, in order to accommodate students who may serve as future industrial managers and top technical staff, the scope of the Engineering College of the Syrian University is being widened. In the past, only civil engineering has been offered but in the near future mechanical, electrical and chemical engineering will be included in the syllabus. In due course this will increase the local supply of trained personnel for industry and thus help overcome one of Syria's greatest deficiencies. Although this will make technical knowledge more readily available at lower cost, it would be very helpful if an institution were established to give technical, economical and financial advice on a consultant basis. This is one of the functions the mission has in mind to be performed by the proposed investment bank.

The mission observed that there are many weaknesses which could be avoided by more careful planning and by a better understanding of the various factors which make for higher efficiency. The proper estimation of the size of the market and the production capacity required to satisfy it, the quantity and quality of the necessary raw, or partly processed, materials and their sources and rate of supply, the utilization of waste products, quality control of the end products, analysis and control of costs and the application of budgeting could in many cases be introduced or greatly improved. Again, the great influence of working conditions on efficient production is often insufficiently recognized.

It was pointed out earlier that the basic industrial factors are, generally speaking, not unfavorable. It is the problem of raising the standard of efficiency generally that should receive primary consideration, preceding, in most cases, the provision of greater capacity. This conclusion stresses the urgent need for more and better qualified managing personnel, trained in modern industrial methods through frequent contacts with the West, and for intensified technical assistance.

14:International Bank S-5 (1954) 1955 MD1 Syria MD1

v INDUSTRIAL DEVELOPMENT PROSPECTS

The Need for Further Industrialization

It is generally agreed—and the mission shares this opinion—that with a more rational distribution and better cultivation of the available land, and particularly with a gradual extension of the irrigated area, Syrian agriculture could for a considerable time to come easily absorb the expected natural population increase. With respect to the need for further industrialization, however, the relevant considerations seem rather to be the territorial and occupational distribution of the population and the evolution of this pattern. The principal question is whether—and if so, to what degree and in which direction—Syrian industry needs further expansion to absorb the present and immediately foreseeable effective labor supply.

Although reliable figures are not available there is no clear evidence that Syria is suffering from chronic unemployment. There are, however, some very overpopulated rural areas with considerable underemployment and there is a continuous flow of labor from the villages to the urban centers. During the postwar period of considerable building activity and rapid industrialization, these markets were able to absorb the increased labor supply. But at times, as for instance in 1948 in Aleppo, the urban workers have become alarmed by the influx of villagers competing with them and aggravating already existing unemployment, particularly in the textile industry. There were demonstrations and a request to the local authorities to bar villagers from applying for town employment; this in turn induced the government to encourage certain village industries—the decline of which is again contributing to urban labor pressure.

This illustrates the tensions which are bound to arise as a consequence of the existing imbalance between rural-urban social and economic conditions. Unless the village standard of living is greatly improved, there is little doubt that the trend toward the towns will continue strong and that the numbers seeking employment in industry will greatly exceed the natural increase in the industrial population. This tendency may even become more pronounced when, as is to be anticipated, illiteracy in the villages declines, transport and communications improve and the rural population becomes more aware of its poverty and social insecurity.

14:International Bank S-5 (1954)1955 MD1 Syria MD1

The recommendations of the mission with regard to agriculture and animal husbandry, including those concerning land tenure and irrigation, would, if accepted, open significant new perspectives to the farmer and farm laborers and tend to check the drift from rural areas. If it were possible to spend more on irrigation than has been recommended, the trend could perhaps be reversed. It is not likely, however, that the growing labor supply can be absorbed and unemployment avoided without further industrialization. Even on the highly optimistic assumption that migration towards the towns can be halted, Syria must contend with such factors as the natural increase in the industrial labor population and the gradual shift from handicraft to mechanization with the consequent release of manpower.

Although estimates in this field are particularly hazardous, the mission suggests that under the most favorable circumstances Syria will have to create at least 20,000-25,000 new industrial jobs during the next six years to keep its industrial labor market in reasonable balance.

Limiting Factors

It is often contended in Syrian official and business circles that shortage of local capital rather than lack of confidence is the principal factor limiting further industrialization. Assuming that this is so, it would follow that to advance development Syria should make a strenuous effort to create attractive conditions for foreign capital as a supplementary source of industrial financing. This conclusion does not seem to be generally acknowledged. At least the nationalization of foreign-owned public utilities without settling the matter of indemnification of their proprietors, and the regulations with respect to foreign companies working in Syria, do not indicate its acceptance.

There is, however, room for some doubt whether scarcity of capital should be considered as a major factor limiting development of Syrian industry. During the past eight years, investments in industry have supplied the country with an industrial capacity capable of meeting most of the need for manufactured articles, based on local primary production, which the population can afford; indeed, as already pointed out, in several branches of industry there is excess capacity. Generally speaking, Syrian industry appears to have attracted substantial amounts of capital. Even taking into account the fact that the sources of industrial investment

14:International Bank S-5 (1954)1955 MD1 Syria MD1

for the asphalted roads, and allowing £S 500 per kilometer for the macadamized routes and lesser amounts for others, the annual road maintenance budget should actually be around £S 6 million to £S 7 million.

This raises the question whether Syria should consider new road investment if existing ones cannot be properly maintained. For every kilometer of new construction the annual burden of upkeep increases. But current deficiencies in road maintenance are not simply a matter of money; the present annual expenditures are sufficient to keep the roads in far better condition than they are. The causes of neglect include several other factors.

Personnel

Some earlier studies[8] have referred to seasonal labor shortages in road maintenance. On this there are differences of opinion. In general, local authorities do not find difficulty on this score, although without question there are shortages of supervisory personnel in the middle rank and foreman grades. A more serious situation is evident at the engineering level, where a wider use of foreign consulting firms and contractors would be helpful. For the whole range of public works, including roads, the government has available about 50 qualified engineers. The detailed knowledge and skill of intensive specialization is difficult to achieve under these circumstances and the mission was therefore not surprised to observe occasional use of overheated asphalt, or of too chalky a sand in mending mixtures. The effectiveness of the small corps of engineers is further reduced by the inordinate burden of paper work and administrative detail, if not by an actual preference of many for office work at the expense of practical field supervision.

Organization

Road maintenance, as a responsibility of the Secretary-General of the Ministry of Public Works, must compete for attention with all other types of public work activities and often fares poorly. This organizational problem may be partially responsible for a certain maldistribution of maintenance funds among the various districts, which often leaves a number of

[8] E.g., Sir Alexander Gibb & Partners, *The Economic Development of Syria*, 1947.

28: Warriner S-5 (no date) 1948 MI Middle East
Syria MDI

Wheat yields are lower than the average for Syria, averaging 4 hundredweight to the acre.

Almost the whole of the estate is let to share-tenants who are supervised by an agent, the landowners themselves rarely visiting the estate. The share of the crop taken by the landlord is 25 per cent on non-irrigated land and 42½ per cent on irrigated land. These shares are more favourable to the tenant than is usual, because it is desired to attract more labour to the estate which sixty years ago was quite uncultivated. As elsewhere, the tenants have no leases but live in fear of eviction.

The tenants are divided into five classes:[1]

1. Large tenants cultivating 6 feddans (225 acres) of non-irrigated land: 4 in number.
2. Medium sized tenants cultivating 4½ feddans (168¾ acres): 4 in number.
3. Small tenants cultivating 3 feddans (112½ acres): 60 in number.
4. Small tenants cultivating irrigated land and with an average area of 18 acres: 100 in number.
5. Wage labourers, who form the majority of the villagers.

Of these classes, only the small groups of large and medium-sized tenants can live well, in the sense that the output of the farm suffices to cover the essential needs of the family and also provides a small cash surplus. The surplus is used to buy gold pounds and jewellery. But the other groups cannot achieve even a sufficient standard of food consumption. The standard consumption of wheat (barley in the case of the very poor peasants) is 14 kilogrammes of grain per month; to achieve this level it is necessary to crop about 45 acres. Thus with the present system of cultivation, the class of small tenants, who cultivate an area of 112 acres and would appear to have quite sufficient land, cannot attain the minimum because only one-third, 35 acres, can be cultivated owing to shortage of live-stock.

These small tenants, who are typical of the farmers in the great plains of Syria, are very poor, living in one- or two-roomed mud huts, and when there is only one room, sharing it with their animals.

[1] It must be said that the feddan in Syria is a variable measure and here is equivalent to 37½ acres.

25: Warriner S-5 (no date) 1948 MI Middle East
Syria MD1

their animals. Malaria is prevalent. The majority are heavily indebted. The tenants on the irrigated land, with an average holding of 18 acres, are also poor but less heavily indebted, because they can depend on a more regular income.

The poorest class are the landless labourers whose income in money and kind amounts to 530 Syrian pounds a year (1944) (£10 at 1939 prices).[1] This is a starvation wage, which means that they can only eat enough in harvest time, and in winter must subsist on maize, bread, and grass.

The poverty on this estate is therefore a result of the low productivity and the low proportion of the area under cultivation. One way of increasing the area cultivated would be by the use of machinery. Tractors were introduced some fifteen years ago, but proved too costly in relation to the low prices of Syrian grain; owing to lack of skilled drivers and proper maintenance they fell into disrepair. During the late war, however, as the price of grain rose, tractors were again used by some tenants who hired them from neighbouring estates.

Another way of raising production would be to increase irrigation since there is sufficient water to supply much more land. In this respect the estate is typical of the whole Homs–Hama plain, where much of the water which the French authorities have made available by irrigation goes to waste.

On this estate, therefore, the poverty of the cultivators is due to the landowner's failure to increase the productivity of the soil, rather than to his exploitation of the peasants; compared with other estates, this one is socially progressive, since the landowner's family have set up a school and also distribute medicines free of charge.

The second study covers a more intensively cultivated village, Ashrafie on the borders of the irrigated district of Damascus. Less heavily supplied with water than El Ghuta itself, Ashrafie has sufficient water to irrigate 10 per cent of the total land. The total area is 1,600 hectares or 4,000 acres, of which 2,400 are owned by four estate owners and the rest by peasants. The largest landowner is an absentee, letting his land on a 50 per cent share-tenancy basis; with definite three-year leases (by contrast with the usual custom under which the tenant has no lease).

[1] This is calculated on a rate of 9 Syrian pounds to £1, allowing for a six-fold increase in the Syrian cost of living between 1939 and 1944.

[The estate of Misherfe, near Homs -- Analyst]

Ex Warstime S-5 (no date) 1943 MI Middle East
Syria MD1

Within this belt there is a large area of cultivable land still uncultivated, mainly for reasons of shortage of labour, lack of means of communication, and political insecurity. Uncultivated land is generally used for grazing, and in the 'Duck's Bill' the grass grows high enough for hay cutting. At present the cultivated area is some 481,500 hectares (1,188,000 acres), and it is estimated that an area about as large again remains uncultivated.

The population at present numbers 111,300, of which half are Kurds. Owing to its remoteness and unsettled state, there has been no survey and settlement of land title. New land is taken under cultivation under the old Ottoman right by which ownership is acquired if cultivation can be proved for ten consecutive years.

In the Jezira most of the land is held by large cultivators. In the Euphrates province much of the land has until recently been owned by the villagers, but now the land is passing into the hands of city landowners as pump irrigation is introduced (as in Iraq). The pumps and buckets are supplied against payment in kind by the town merchant or moneyed class; wherever irrigation brings more lands under cultivation, the ownership of the extra land is divided equally between the villagers and the suppliers of water.

The system of tenure is the usual share-tenancy; in the Jezira, according to local custom, the landlord takes one-eighth of the crop to pay taxes, and the remainder is shared equally between landlord and cultivator, the proportion being determined by the supply of labour. With the introduction of machinery—there were about thirty tractors in the area in 1942—the division into employer and labourers has developed: the landowner using the tractor on the land and employing wage labour.

Owing to the scarcity of labour, the position of the agricultural labourer in the Jezira area is better than in the rest of Syria. Health conditions, however, are bad: the Kurds suffer from trachoma and villagers in the Kamichlia district from malaria. In the Euphrates region, the position is worse: the agricultural labourer is weak and underfed, living a hand to mouth existence and exploited by all.

Both in the Jezira and in the Euphrates region there is scope

29:Dunn S-4 (1952)1952 MI Middle East
Syria MDI

ment, and the investors, inexperienced in farming and unequipped to deal with adverse weather, lack of water, and heavy insect infestation, obtained low yields. Many lost their own capital and borrowed money. 454 241

Some investors, who realize that their only chance of coming out on their original investment is to continue their operations and even to make additional investments, plan to expand operations. Future investment naturally will depend on current earnings which will be determined by production and world market prices.

Farmers who may be in a position to continue investing in agricultural development out of their own capital, however, will be a small minority. The need for credit will be great.

Limited credit usually is given to tenants by the landlords during the spring and summer, but most farmers need more. In the past, additional production credit has been extended largely by the merchants and money-lenders at rates from 15 to 50 per cent annually. A few large landlords borrow money from banks at rates as low as 7 and 8 per cent, but only against excellent securities. Interest rates to the tenants who have less collateral are usually higher. Merchants are discontinuing the practice of buying cotton before the crop is made at prices from 50 to 70 per cent of the future market price because in many cases the farmers do not make enough cotton to fulfill their contract. 452 426 [455]

The government has sought to meet the need for credit by creating an agricultural bank, but the capital is limited and size and volume of loans are small. In 1951, for instance, the bank loaned a total of only $5 million to 57,000 cultivators. Private groups are said to have loaned as much on cotton in the Jezira alone. 652 452

LAND TENURE

Land available for cultivation is plentiful, but confused titles, excessive concentration of ownership, and insufficient or restricted use of the state domains hamper development. 423

The government has a major interest in agriculture and the tenure problem. The Ministry of Justice reports that 23 per cent of the farm land is owned by the state and in some of the larger farming areas the percentage runs as high as 69 per cent. There is also a heavy concentration of land in large units owned and operated by a few wealthy landlords, with 29 per cent of the farm land in farms over 250 acres. Most of the large farms in the old agricultural areas are operated on a tenancy system, but many of the farms now being established in the new areas of the Jezira are operated on a day-wage basis with mechanical equipment. This is especially true of wheat farms. A strong middle class of farmers owns about one-third of the land in farms from 25 to 250 acres, and many of them cultivate their land with the help of tenants. Only 15 per cent of the farm land is owned in lots less than 25 acres. 423 471 241 [427] [464]

In an effort to encourage landownership, stability of tenure, and an interest in improvement of the land, a law was passed recently under which state lands are to be sold on long-term, easy-payment plans to landless farmers with a limit of 123 acres to a farmer. The plan was designed especially to settle the nomads. The principal areas concerned are the state domains in the valleys of the Euphrates and Kabur Rivers, which were un- 425 471 311 [126]

29:Dunn S-4 (1952)1952 MI Middle East
Syria MDI

COTTON IN SYRIA

Another significant aspect of the land tenure problem is the financial arrangements between the landlords and tenants. 427 241

Although there are many variations throughout the country, there are three basic contracts.

In the first, where water is available by gravity flow for irrigation and the landowner furnishes only the land, he gets 50 per cent and the tenant gets 50 per cent of the gross yield. In the second type of contract, where the tenant installs pumps and operates them at his own expense and the landlord furnishes the land only, he gets 33⅓ per cent and the tenant gets the rest. In the third case, where the landowner furnishes only the land and the tenant drills artesian wells at his own expense, the landowner gets only 25 per cent of the gross yields. There are variations depending on the crops produced and on who furnishes seed, fertilizer, and equipment. With the growth of mechanization, there is a rising tendency for landowners to prepare the seed beds themselves with large tractors and to take a large share of the produce.

With the advent of mechanization, there is also a noticeable tendency to wage-crop arrangements, particularly in the remote areas like the Jezira where the population is sparse and where the only feasible arrangement for picking cotton is the employment of nomads by the day. 464 241

The greatest concentration of small cultivators who own and operate their own farms is in the older farming areas in the southern part of Syria around Damascus. Around Aleppo the farms are larger in size and owner-operators are fewer in number. 471 241

MECHANIZATION

Mechanization is changing rapidly the primitive practices which still dominate Syrian agriculture. The number of tractors has increased from 200 to almost 2,000 and more than 700 combines are in operation. 241 407

Most of the mechanical equipment is in the Jezira and the agricultural areas around Aleppo. Approximately half the tractors are being used in cotton areas.

To encourage further mechanization the government plans to extend loans to farmers on a five-year basis to finance the purchase of agricultural equipment. So far most of the equipment has been bought privately and for cash. [452]

The first few years have been difficult for the tractor farmers because of the lack of trained operators and the lack of adequate repair facilities, especially spare parts. Now the large manufacturers' agents are establishing modern service stations, repair stations, and mobile repair units. Consideration is even being given to organizing operator training programs.

RESEARCH AND EDUCATION

All of the agricultural missions stress the need for improvement in basic research and educational programs. The United States-Syria Agricultural Mission has outlined a complete program for agricultural training, research, and extension. Some of the recommendations already have been adopted, such as the establishment of a separate Department of Agriculture. Agricultural 654